

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3771-01
BILL NO.: HB 1574
SUBJECT: Health Care; Health Care Professionals; Hospitals; Medical Procedures and
Personnel
TYPE: Original
DATE: January 31, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$145,158)	(\$160,106)	(\$165,262)
Total Estimated Net Effect on <u>All</u> State Funds	(\$145,158)	(\$160,106)	(\$165,262)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, hee **Missouri Health Facilities Review Committee**, and **Cooper County Memorial Hospital** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials assume benchmarks would be established and data analyzed to determine if hospitals would be in compliance with patient safety and regulatory accountability standards. DOH states a committee of ten members would be appointed to determine what types of data would be submitted for the alternative compliance method to indicate if the hospital is or is not operating in compliance with state regulations. DOH assumes one Research Analyst III would develop a database for entering the forms, develop and run reports, and train users on the forms. This position would also develop procedures and an instructional manual. One Health Facility Consultant I would review the data results as received from the Research Analyst to determine areas of the regulations for hospital operations that are not in compliance. One Clerk Typist II would input the data and do follow-up to assure program participants are providing the required data timely and in appropriate form.

Oversight has reduced the personal services costs to reflect current beginning expenditures for new positions.

Barton County Memorial Hospital, Cass Medical Center, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, and Ste. Genevieve Memorial Hospital did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - Department of Health

Personal services (3 FTE)	(\$73,410)	(\$90,925)	(\$92,552)
Fringe benefits	(\$22,574)	(\$27,765)	(\$28,460)
Expense and equipment	<u>(\$49,174)</u>	<u>(\$41,416)</u>	<u>(\$44,250)</u>
Total <u>Costs</u> - Department of Health	<u>(\$145,158)</u>	<u>(\$160,106)</u>	<u>(\$165,262)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$145,158)</u>	<u>(\$160,106)</u>	<u>(\$165,262)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2001 (10 Mo.)	 FY 2002	 FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require the Department of Health to use the following standards for enforcing hospital licensure regulations as contained in Sections 197.010 to 197.120 RSMo, the Hospital Licensing Law. The proposal would: (1) Require hospitals to develop and implement a plan of correction for a deficiency as approved by the Department of Health when hospitals receive notification of a deficiency in meeting regulatory standards; and (2) Require the department to direct hospitals to develop and implement another approved plan of correction for a continuing deficiency or to require hospitals to implement an approved plan of correction for a continuing deficiency developed by the department. If a deficiency in a hospital continues after the department specifies the corrective order to be taken by the hospital and the hospital has had the opportunity to correct the deficiency, the department (in successive order) could: (1) Restrict new inpatient admissions or outpatient entrants to the service or services affected by the deficiency; or (2) Suspend operations in all or part of the hospital service or services affected by the deficiency; or (3) Deny, suspend, or revoke the hospital's license. If a hospital deficiency presents a clear and present danger to patients, the department could restrict access to the service or services affected based on the scope and severity of the deficiency until approved corrective actions are taken by hospital.

A hospital could appeal the corrective measures required by this proposal to the Administrative Hearing Commission under Section 197.071 RSMo, and seek judicial review under Section 621.145 RSMo. If the hospital and the department would agree, prior to the appeal to the Administrative Hearing Commission, actions could be appealed to a departmental hearing officer. The proposal would also allow the department and hospitals to jointly design and DESCRIPTION (continued)

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implement a pilot project to develop an alternative model for enforcing hospital standards. The alternative model could be applied in hospitals or multi-hospital systems. Components and regulations of the pilot project are stated in the proposal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Missouri Health Facilities Review Committee
Department of Social Services
Cooper County Memorial Hospital

NOT RESPONDING: Barton County Memorial Hospital, Cass Medical Center, Excelsior Springs Medical Center, Lincoln County Memorial Hospital, Pemiscot Memorial Hospital, Phelps County Regional Medical Center, Ray County Memorial Hospital, Samaritan Memorial Hospital, Ste. Genevieve Memorial Hospital



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Director
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